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FOR IMMEDIATE RELEASE:

**TWO INDIANAPOLIS MEN SENTENCED FOR
MAKING FALSE STATEMENTS TO H.U.D.
IN MORTGAGE FRAUD SCHEME**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that BRADLEY A. WHITE, 40, Indianapolis, was sentenced to 5 months imprisonment and 5 months home detention, and MARK ARKENAU, 36, Indianapolis, Indiana, was sentenced to 2 years probation and 6 months home detention by United States District Court Judge David F. Hamilton this week. WHITE and ARKENAU both plead guilty to crimes related to mortgage fraud by making false statements to the Department of Housing and Urban Development / Federal Housing Administration to obtain federally insured loans for clients of their company.

The investigation leading to the charges against WHITE and ARKENAU was conducted by the Department of Housing and Urban Development - Office of Inspector General, working as part of the Southern District of Indiana Mortgage Fraud Task Force.

WHITE and ARKENAU were both employed by Regal Mortgage, an Indianapolis mortgage brokerage which was authorized to originate loans insured by the Department of Housing and Urban Development / Federal Housing Administration. WHITE was the owner and licensed broker of Regal Mortgage; ARKENAU was employed by WHITE as a loan officer.

In order to obtain a federally insured loan, borrowers are required to submit truthful information to HUD regarding their employment, income, and assets. They are also required to make a minimum down payment of 3% of the purchase price to qualify for a HUD insured mortgage, and to advise HUD if they were obtaining gift money from a third party to assist them in the purchase. WHITE and ARKENAU both falsified borrower information to HUD to assist buyers in obtaining federally insured loans.

WHITE plead guilty to making false statements to HUD on two loans totaling over \$130,000.00, which resulted in a loss to HUD of over \$80,000.00. WHITE submitted false W-2 forms, false bank account information, false gift letters, and false verifications of employment, rent and insurance to HUD. He also submitted false settlement statements, Forms HUD-1, showing that buyers were making down payments on the properties when they were not and showing that buyers were receiving gift money to make those down payments when they were not.

ARKENAU also plead guilty to making false statements to HUD on one loan in the amount of approximately \$75,000.00, which resulted in a loss to HUD of just under \$40,000.00. ARKENAU submitted false W-2 forms, false bank account information, false verification of employment, and a false settlement statement showing that a buyer was making a down payment when in fact he was not.

According to Assistant United States Attorney Susan Heckard Dowd, who prosecuted the cases for the government, Judge Hamilton also ordered WHITE to serve 1 year supervised release following his release, make \$84,000 restitution to HUD and pay a fine of \$169,000. Judge Hamilton ordered ARKENAU to make \$38,000 restitution to HUD and pay a fine of \$2,000 .

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